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STATE AUDITORS OFFICE**

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Commissioner of Securities and Insurance
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Attorneys for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	
)	CASE NO. INS-2015-348
HCC LIFE INSURANCE COMPANY;)	
HCC MEDICAL INSURANCE)	CONSENT AGREEMENT AND
SERVICES, LLC; STARR INDEMNITY)	FINAL ORDER RE:
& LIABILITY COMPANY; USHEALTH)	MICHAEL C. TOBIAS
GROUP; NATIONAL FOUNDATION)	
LIFE INSURANCE COMPANY;)	
COVERAGE ONE INSURANCE)	
GROUP, LLC; DAVID H. ETTINGER;)	
BETH ETTINGER; KARL BECKER;)	
HEALTH BENEFITS ONE, LCC;)	
MATTHEW E. SPIEWAK; DANIELLE)	
BRETTI; QUICK QUOTE US LLC;)	
MICHAEL S. HILF; TERRY M.)	
ALVARADO; MICHAEL K.)	
BORCHERS; PEDRO J. COLON;)	
TERESA M. NEWMAN; JORGE)	
SAAVEDRA; SAMATHA M.)	
SCHEIBNER; MICHAEL C. TOBIAS;)	
WESTERN HERITAGE INSURANCE)	
MARKETING GROUP; and LISA D.)	
GONZALES;)	
Respondents.)	

This Consent Agreement (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the

In re: HCC Life Insurance Co., et al.
Consent Agreement and Final Order Re: Michael C. Tobias



Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Michael C. Tobias (Respondent). The Final Order (Order) is issued by the authority of the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner).

RECITALS

WHEREAS, the CSI alleged in the Notice of Proposed Agency Action and Opportunity for Hearing (NOPAA) in this matter that Respondent did not fully explain all material terms of short term medical insurance policies to some insureds;

WHEREAS, the CSI alleged in the NOPAA in this matter that Respondent sold insurance policies from HCC Life Insurance Company and National Foundation Life Insurance Company without being properly appointed by either insurer;

WHEREAS, the CSI alleged in the NOPAA in this matter that Respondent allowed the sale or transaction of insurance policies by unlicensed individuals working with Respondent;

WHEREAS, the CSI and Respondent agree that the best interests of the parties and the public would be served by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and Respondent agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

I. Respondent stipulates and consents to the following:

A. Respondent neither admits nor denies the allegations contained in the NOPAA;

B. Pursuant to MCA § 33-1-1102, Respondent agrees to pay \$10,000.00 to the claim administrator Dahl Administration, LLC, (Dahl) as part of a fund for the benefit

of Montana insureds who purchased short-term medical insurance from the various insurance carriers subject to this matter. The claim and validation process shall be set by the CSI, and processed by Dahl. This payment shall be made by check payable to "Health Insurance Innovations Restitution Fund" within 10 business days of the execution of this Agreement and sent to:

Dahl Administration, LLC
Attn: Jeff Houdek
6465 Wayzata Blvd., Ste. 420
Minneapolis, MN 55426

Proof of the payment shall be sent to:

Montana State Auditor's Office
c/o Lisa Monroe
840 Helena Ave.
Helena, MT 59601
lmonroe@mt.gov

C. Respondent agrees that he will obtain not less than 6 hours of supplemental continuing education credit, consisting of at least one class in the area of ethics and another in the area of health insurance sales. Respondent agrees to provide proof of completion of these additional 6 credits within 180 days of the effective date of this agreement. These 6 credits shall be in addition to any continuing education requirements contained in Mont. Code Ann. § 33-17-1203.

D. Respondent agrees to provide to the CSI a quarterly summary report of all sales of insurance products to residents of the State of Montana, with a breakdown of the types of insurance products sold. These quarterly reports shall be provided for two years following the effective date of this agreement. The first quarterly summary report shall be due by Friday, April 6, 2018, covering the preceding calendar quarter. Subsequent

reports shall be due by the first Fridays of: July and October, 2018; January, April, July, and October, 2019; and January 2020. Reports should be mailed or emailed to:

Montana State Auditor's Office
c/o Lisa Monroe
840 Helena Ave.
Helena, MT 59601
lmonroe@mt.gov

E. If Respondent engages in the sale of any insurance policies to Montana residents in the two years following the effective date of this Agreement, Respondent shall provide to the CSI within 10 days of the first such sale the name of a supervising insurance producer, who must be properly licensed as an insurance producer in Montana. Each calendar quarter following such sales, this supervising insurance producer shall contact at least five insureds who received insurance products from Respondent. The purpose of this contact will be to check that no material terms of the insurance products sold were misstated or omitted. The supervising producer shall provide certification that this requirement was completed, along with copies or notes of such correspondence with Respondent's insureds, on the same quarterly calendar basis as subparagraph I.D., above, as necessary.

F. Respondent agrees to not commit any violations of the Code.

G. Respondent fully and forever releases and discharges the Commissioner, the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this action.

H. Respondent specifically and affirmatively waives his right to a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq., and elects to resolve this matter with this Agreement.

I. Respondent acknowledges that he was advised of the right to be represented by legal counsel and if represented by legal counsel, that such legal representation was satisfactory.

J. Respondent acknowledges that he enters into this Agreement voluntarily and without reservation.

II. All parties to this Agreement stipulate and consent as follows:

A. The Commissioner and the CSI have jurisdiction over the subject matter of this matter.

B. This Agreement is entered without adjudication of any issue of law or fact. This Agreement covers only the factual allegations addressed in the NOPAA. It is entered into solely for the purpose of resolving the CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against Respondents, limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

C. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations in the Recitals. In the event Respondents violate the terms of this Agreement at any time within two years of the effective date of this Agreement, the CSI reserves the right to seek any additional administrative penalties or further regulatory action.

D. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondents to enter into this Agreement.

E. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing, with the same formality as this Agreement, to be effective.

F. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner.

G. This Agreement shall be effective upon signing of the Final Order.

H. The Agreement is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.

DATED this 21st day of March, 2018.

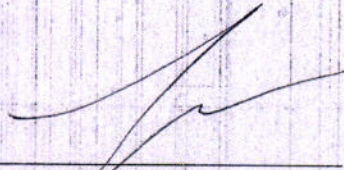
**OFFICE OF THE MONTANA STATE
AUDITOR, COMMISSIONER OF
SECURITIES AND INSURANCE**

By: 

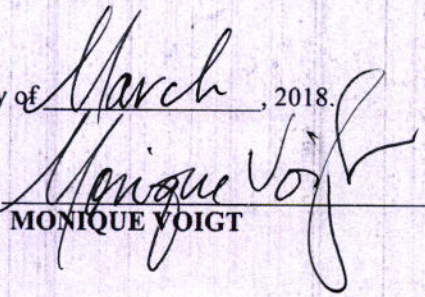
**MICHAEL A. KAKUK
BENJAMIN TILLER**
Attorneys for the CSI

In re: HCC Life Insurance Co., et al.
Consent Agreement and Final Order Re: Michael C. Tobias

DATED this 7 day of Feb, 2018.

By: 
MICHAEL C. TOBIAS

APPROVED AS TO FORM on this 9th day of March, 2018.

By: 
MONIQUE VOIGT

FINAL ORDER RE:

MICHAEL C. TOBIAS

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 33-1-101 et seq.,
and upon review of the foregoing Consent Agreement, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and
Respondent Michael C. Tobias is adopted as if set forth fully herein.

DATED this 22 day of March, 2018.

By: Nancy Butler
NANCY BUTLER
Deputy Montana State Auditor,
Commissioner of Securities and Insurance